



CITY OF NASHUA
OFFICE OF CORPORATION COUNSEL

July 26, 2002

Kathy L. Pape, Esquire
Philadelphia Suburban Corp
762 West Lanchester Avenue
Bryn Mawr, PA 19010

Re: Pennichuck Water Works, Inc., et al
NHPUC DW 02-126

Dear Attorney Pape:

I enclose Intervenor City of Nashua's First Set of Data Requests to Intervenor Philadelphia Suburban Corporation.

Very truly yours,

David R. Connell, Esquire
Corporation Counsel

Enclosure
DRC:jljb

cc: Parties on Service List

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DW 02-126

Re: Pennichuck Water Works, Inc.
Pittsfield Aqueduct Company
Pennichuck East Utility, Inc.

**INTERVENOR CITY OF NASHUA'S FIRST SET OF DATA REQUESTS TO
INTERVENOR PHILADELPHIA SUBURBAN CORPORATION**

Intervenor City of Nashua hereby submits the following data requests to Intervenor Philadelphia Suburban ("PSC") to be responded to in accordance with Puc 204.04 and the procedural schedule.

INSTRUCTIONS FOR RESPONDING TO DATA REQUESTS

- 1 In addition to the parties on the service list, please provide copies of responses to:

George E. Sansoucy, P.E., LLC
32 Nimble Hill Road
Newington, NH 03801
- 2 Unless otherwise specified, "Pennichuck" refers to the Pennichuck Corporation and all its subsidiaries, "Joint Petitioners" refers collectively to the Pennichuck Water Works, Inc. (PWW), the Pennichuck East Utility, Inc. (PUE) and the Pittsfield Aqueduct Company (PAC), and "Philadelphia" refers to the Philadelphia Suburban Corp. "Subsidiary" means both wholly owned and affiliated companies.
- 3 The data requests to Philadelphia are headed with numbers in the form "Nashua-PSC x-x" and requests to Joint Petitioners are headed by "Nashua-Pen x-x".
- 4 For each response, please identify the individual or individuals responding to each question.
- 5 If any question is thought to be unclear or imprecise, please request clarification prior to providing a response.

6. If a request, or portion of a request, cannot be answered in full after exercising due diligence to secure the information, state the answer to the fullest extent possible and state why the request cannot be answered in full, state what information or knowledge is in the party's or parties' possession concerning the unanswered portions, and provide all documents containing such information.

- Nashua – PSC 1-1. Please list all of the acquisitions of water or water and sewer utility companies by Philadelphia or its subsidiaries or affiliates since 1996 whether through purchase, merger or otherwise. For each acquisition please give the name and address of the utility acquired, the utility regulatory body or bodies that approved the acquisition and the docket or record number of the proceeding granting the approval.
- Nashua – PSC 1-2. For each of the acquisitions listed in request 1-1 above with more than 5,000 water customers, please provide a copy of the annual report to the state regulatory bodies for the year immediately prior to the acquisition and for the year ending December 31, 2001.
- Nashua – PSC 1-3. Please list each long-term debt instrument of Philadelphia that was outstanding as of January 1, 1996, giving the face value, interest rate or rates, maturity date and terms of repayment. List also any such new long-term debt instrument issued since January 1, 1996, giving the information above as well as the date issued and whether it replaced an existing debt or was new debt.
- Nashua – PSC -4. Do Philadelphia subsidiaries borrow through debt incurred by Philadelphia Suburban Corporation? Please state any corporate policies of Philadelphia that apply to debt incurred through the corporation in terms of amounts required to be borrowed, rates, terms and conditions, etc.
- Nashua – PSC 1-5. Please state any policy or policies of Philadelphia or its subsidiaries in place in 1996 and/or adopted or modified since 1996 for payout of dividends by subsidiaries of Philadelphia.
- Nashua – PSC 1-6. For 1996 and each subsequent year, please list the total earnings of all subsidiaries of Philadelphia before dividend payout and the total amount of dividends paid out by them.

- Nashua – PSC 1-7. Please identify any Philadelphia corporate policies on short, intermediate or long-range planning for subsidiaries. Please provide the guidelines, instructions or forms for such planning activities.
- Nashua – PSC 1-8. Please identify any Philadelphia corporate policies for investment and/or reinvestment in the plant and equipment of subsidiaries. Please provide the guidelines, instructions or forms for such planning activities.
- Nashua – PSC 1-9. If the Parent Average Closing Price for the exchange of stock under the merger agreement were to be \$24.000, please state the allocation of the value to be received by Pennichuck among the Joint Petitioners, the Pennichuck Service Company and the Southwood Corporation. Please state fully the appropriate accounting entries that would be entered based on the previously stated Parent Average Closing Price.
- Nashua – PSC 1-10. Please identify all charges for services made between Philadelphia and its subsidiaries and between its subsidiaries. If there is a “price list” for standard services such as water testing and the like, please provide the prices for such services.
- Nashua – PSC 1-11. Please state what percentage of each subsidiary Philadelphia owns and provide a list of the twenty (20) largest shareholders of Philadelphia.
- Nashua – PSC 1-12. Please list all services provided by Philadelphia to its subsidiaries. Please explain how such services are charged to subsidiaries. If there is a formal pricing policy for specific services, please provide such policies.
- Nashua – PSC 1-13. Please identify all corporate charges imposed by Philadelphia on its subsidiaries. Please estimate the likely charges that would be imposed on Pennichuck and its subsidiaries in the first full year after the merger. If such charges are not representative, please estimate the long-term annual charges in current dollars.
- Nashua – PSC 1-14. Please explain Philadelphia’s policies for services such as laboratory and engineering services between subsidiaries. Please identify which services, supplies and materials will be required to be purchased from Philadelphia.
- Nashua – PSC 1-15. Please provide any study or report of the synergies expected to result from the merger.

Respectfully submitted,

City of Nashua
By its Attorney

Dated: July 26, 2002



David R. Connell, Esq.
Corporation Counsel
229 Main Street, Box 2019
Nashua, NH 03061-2019
(603) 589-3250

CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing Intervenor City of Nashua's First Set of Data Requests to Intervenor Philadelphia Suburban Corporation to be sent to Attorney Kathy L. Pape on behalf of Philadelphia Suburban Corporation by Federal Express Standard Overnight Package Service and copies to be mailed, postage prepaid, to all other parties on the service list as of July 24, 2002 on this 26th day of July, 2002.



David R. Connell, Esquire